

## Structuring the Plaintiff's Settlement

Ninety percent of adult injury victims will squander their entire settlement within five years, regardless of the size of the award. These adults suffer from poor investments or lose out by having to pay taxes on their good investments. The courts require that minors' settlements be placed in protected accounts that earn very little interest and even that interest is taxable. Worse yet, these children have complete access to the entire amount upon reaching the age of majority.

Bodily injury settlements are often the largest amount of money your client will ever have at one time, other than perhaps the sale of their home. Very few injury victims have any experience in investing and it is outside the scope of the attorney's responsibility to provide financial counseling. But that is not to say that plaintiff attorneys do not have a responsibility to engage the services of a settlement planner.

A settlement planner has experience working with the unique needs of injury victims and uses that experience to put together financial plans that best meet the client's future needs. This will typically involve consultative meetings with the injured victim and/or other family members or care givers. The process should commence prior to reaching a definitive settlement to maximize the effectiveness of the settlement plan. The plaintiff attorney may or may not be actively involved in the settlement planning process but minimally needs to know the parameters of the financial plan. For consider the case of the plaintiff attorney who neglects to consider the effect the settlement may have upon the injured victim's government assistance benefits. Or if the injured victim has a reduced life expectancy but the plaintiff attorney settles for cash, the benefits of a rated age annuity have been lost forever.

The settlement planner should be well-versed in all aspects of planning for the financial needs of the injured victim, but not necessarily an expert in all fields. Instead, the settlement planner should have access to and experience with the individual fields of expertise required to implement the financial plan. Many plaintiff structured settlement specialists are experienced settlement planners. These "plaintiff brokers" work exclusively on personal injury cases and have network alliances with tax attorneys, trust attorneys, life care planners, and economists. Their training is unique to the ever-changing field of settlement planning for the injured victim and very few specialists are qualified to act in this capacity.